



**TO:** Maureen Weber, Deputy Commissioner Employment Growth  
Nicole Iaria, Director UI Tax  
Ed Henze, Director UI Benefits

**THRU:** Monty Combs, Deputy Commissioner Finance/Controller

**FROM:** Gus Linde, Director Oversight

**DATE:** May 16, 2005

**SUBJECT:** Requirement of Corrective Action Plans (CAPs)  
for the Tax Performance System (TPS) Reviews

Tax Performance System staff reviews thirteen (13) tax functions annually to determine if they meet USDOL's Acceptable Levels of Performance (ALPs) in tax performance. Effective with CY 2005, USDOL's Unemployment Insurance Program Letter (UIPL) 14-05 was put into effect. The UIPL states in part, *"To meet the acceptable level of performance for tax quality, a state can have no more than three (3) failures out of the thirteen (13) tax functions reviewed under TPS in a year nor any single tax function failing the TPS review for three (3) consecutive years"*. The State will be required to submit to USDOL Corrective Action Plans (CAPs) for each function not meeting ALPs with quarterly updates on the progress of the CAPs required.

Effective beginning with our 2005 reviews, the following will be implemented by the Oversight Division to ensure proper tracking and a proactive approach in resolving our failures on the TPS reviews.

- ◆ Should any tax function not meet ALPs, then a CAP must be submitted for that function to the Resolution Specialist of the Oversight Division.
- ◆ Should any tax function not meet ALPs for two (2) consecutive years, then a quarterly review of that function will be conducted in conjunction with a CAP, that must be updated following the quarterly reviews.
- ◆ Should any tax function not meet ALPs for three (3) consecutive years, then monthly reviews of that function will be conducted in conjunction with a CAP that must be updated following the monthly reviews.

Following each tax function review not meeting ALPs, Oversight will issue a Corrective Action Letter to the Deputy Commissioner for Employment Growth, Director UI Tax and/or Director UI Benefits. They must ensure that a CAP is completed and submitted to the Resolution Specialist for the Oversight Division within thirty (30) days of the issuance of the Corrective Action Letter. Oversight will track each of the thirteen (13) functions to ensure that we are improving our tax performance systems.

cc: William Peterson  
Ron Giveans